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REVIEW

OF

BUSINESS CONDITIONS

ALBERTA

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Preliminary

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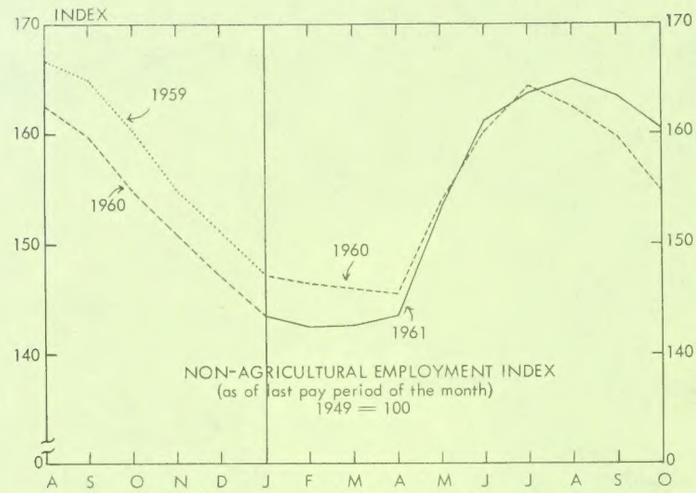
EDMONTON

Prepared by Alberta Bureau of Statistics,
Department of Industry and Development,
EDMONTON - Alberta.

January 17th, 1962.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(as of last pay period of the month)
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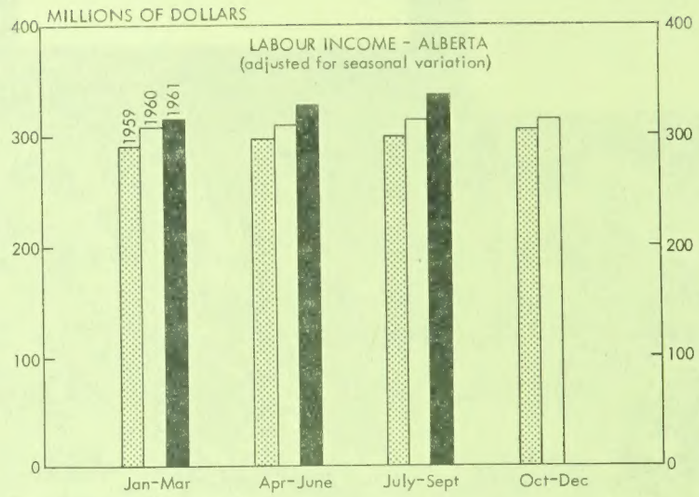
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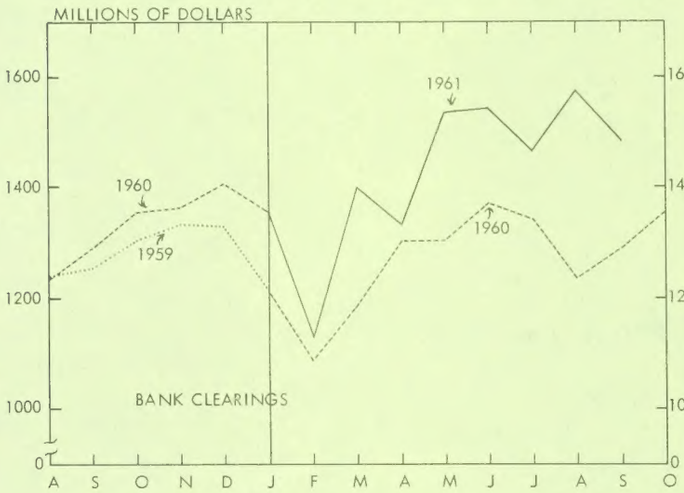
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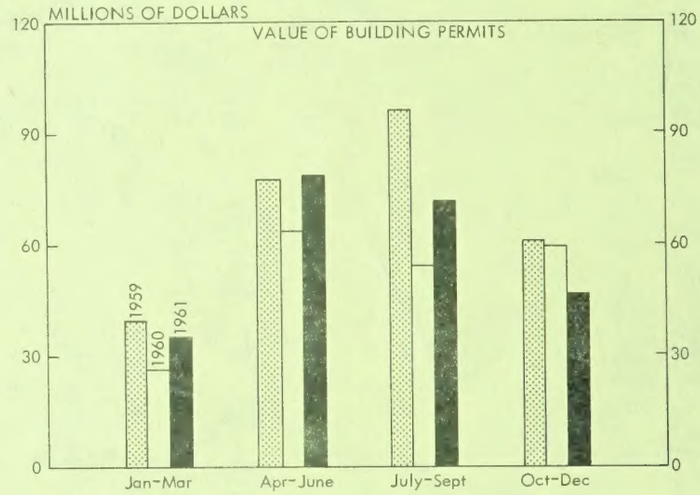
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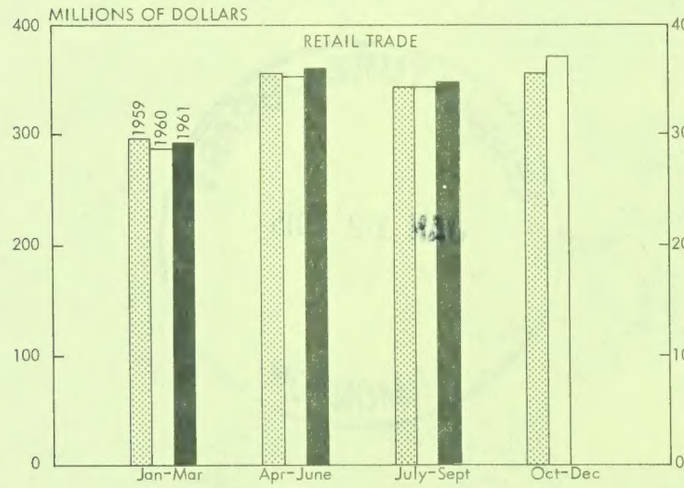
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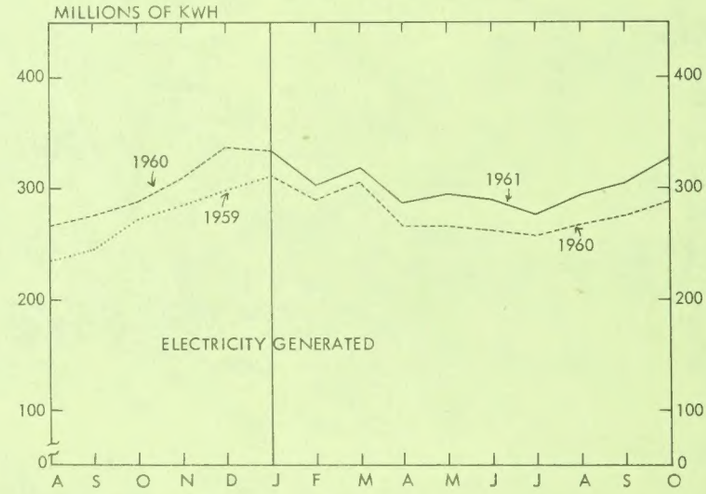
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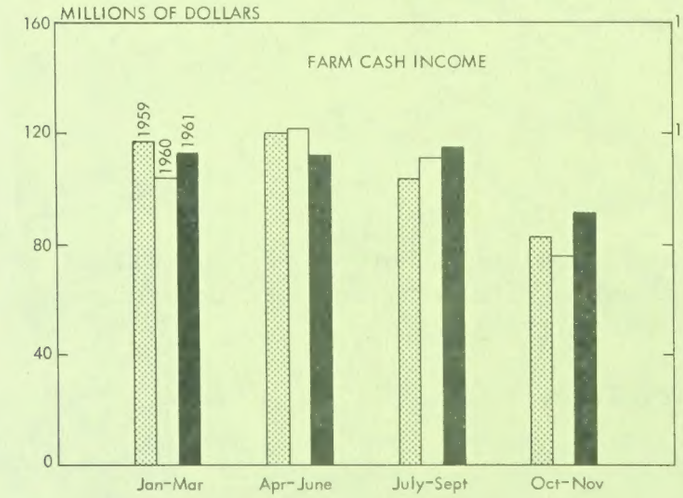
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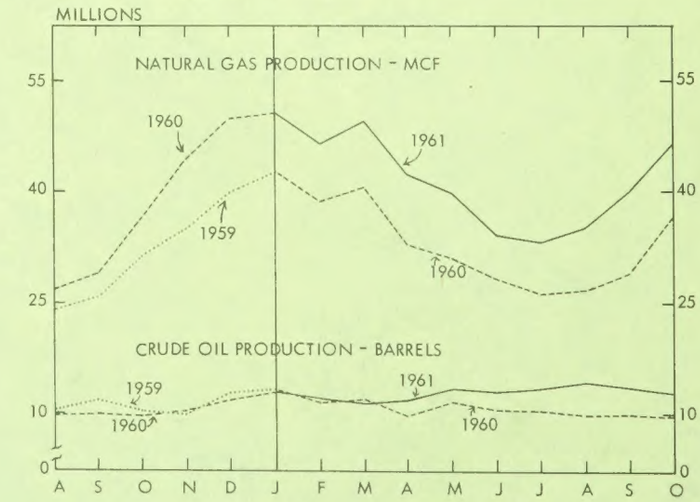
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A S O N D J F M A M J J A S O

REVIEW OF BUSINESS CONDITIONS - 1961

Albertans in the last two decades, have become so accustomed to annual increases in production and income that they are now accepted as ordinary and inevitable. Accordingly, 1961 is regarded as an unspectacular year despite the fact that the various major industries recorded fairly substantial advances over 1960. Partly, this is explained by the fact that a given year tends to be judged as average or excellent depending on whether man-power resources were at all surplus to demand or were being utilized to the maximum possible extent. It is by this latter criterion that the Alberta, and indeed the Canadian, economy has compared less favourably of late with the early 1950's. By almost all other criteria, however, the diversification and growth of industry, the broadening of the economic base, the increased utilization of resources, increasing consumer incomes and expenditures have continued without interruption or faltering.

In 1961, the value of mineral production rose by nearly $70 million; manufacturer's shipments by over $50 million; value of construction work performed by over $100 million; farmer's cash income by an estimated $20 million and labour income by over $50 million. Forestry production was slightly lower. Employment was higher than for each comparable month of 1960, and the number of unplaced applicants for employment was lower. Retail and wholesale sales were higher as well, and give promise of being even better during 1962 now that the gloomy economic outlook induced by prognosticators in 1960 and 1961 has been dissipated and replaced by an attitude more cheerful.

AGRICULTURE:

Farmer's cash income exceeded that of 1960. Income from livestock was higher by $20.0 million; from grains income rose by $15 million; and from dairy and poultry products rose by over $1.5 and $1.0 million respectively.

(See table p. 2)

Farm Cash Income from Major Sources, Alberta -- 1960-61

	1960 $	1961 $
Grains (January - November)	156,538,000	171,679,000
Supplementary Payments *	23,558,000	4,112,000
Livestock (January - November)	187,693,000	207,887,000
Dairy Products (January - October)	34,367,000	35,968,000
Poultry Products (January - November)	8,011,000	9,018,000
TOTAL	410,167,000	428,545,000

(*) Acreage Payment Plan, P.F.A.A.
Unthreshed Grain Assistance Policy.

The drought undoubtedly lowered grain yields, particularly in the south eastern parts of the province. As farm inventories of grains were adequate, the effect on farm income was not immediate, but will be felt over later years. The drought was not so severe as to cause a rush to dispose of livestock; indeed prices held firm or became even firmer as the year progressed. Marketings of cattle, calves and sheep were higher; of hogs was down considerably although a pickup was in evidence as the year ended. Meat prices more than held firm through the year so returns were consistently higher.

MINERALS:

The Dominion Bureau of Statistics estimates that the value of minerals produced in Alberta rose from $395.3 million in 1960 to $463.7 million in 1961. (See table on p. 3.)

The major increases in production and value were recorded by crude petroleum, up $53 million, natural gas and liquid hydrocarbons each up over $6

million. The valuation of coal produced was $1 million lower than in 1960. Gas production and sales will increase very substantially during 1962: the Alberta to California pipeline was completed and began transport of gas in December 1961. Production of sulphur and of natural gas by-products will increase proportionately.

MINERAL PRODUCTION -- 1960 and 1961

		1960 (1)		1961	
			$		$
Gold	oz.	191	6,484	220	7,800*
Silver	oz.	19	17	20	20*
Salt	ton	72,431	1,206,433	83,400	1,270,000*
Sulphur	ton	-	3,650,145	-	5,560,000*
Coal	ton	2,391,699	11,516,842	1,810,000	10,350,000*
Natural Gas	mcf.	383,700,000	34,148,675	482,200,000	40,400,000*
Liquid Hydrocarbons	$.	-	14,021,998	-	20,000,000*
Petroleum, crude	bbls.	130,506,968	302,841,423	157,680,000	355,125,000*
Clay Products	$.	-	3,551,682	-	3,600,000*
Cement	ton	663,856	11,474,865	718,000	13,000,000*
Lime	ton	43,731	756,499	53,200	753,000*
Sand and Gravel	ton	13,385,970	11,858,520	14,000,000	13,500,000*
Stone	ton	167,201	310,427	350,000	500,000*
TOTAL VALUE	$	-	395,344,010	-	463,709,000(2)

(1) Dominion Bureau of Statistics - final

(2) Dominion Bureau of Statistics - preliminary

(*) Alberta Bureau of Statistics - preliminary

MANUFACTURING:

The Dominion Bureau of Statistics estimates the value of Alberta Manufacturer's shipments at $882.9 million in 1959. Alberta Bureau of Statistics preliminary figures for 1960 show a valuation of $891.4 million; our estimate for 1961 is set at $942.1 million.

VALUE OF MANUFACTURED SHIPMENTS, ALBERTA

1959 - 1961

	1959 (1)	1960 (2)	1961 (3)
	$	$	$
Food and Beverages	370,594,000	353,644,000	381,700,000
Leather Products	961,000	931,000	1,100,000
Textiles	7,522,000	7,929,000	8,200,000
Clothing	11,418,000	11,402,000	12,400,000
Wood Products	60,453,000	55,831,000	47,500,000
Paper Products	35,213,000	40,619,000	40,100,000
Printing and Publishing	29,378,000	34,509,000	38,400,000
Iron and Steel Products	73,754,000	87,851,000	100,100,000
Transportation Equipment	28,130,000	24,422,000	24,300,000
Non-Ferrous Metal Products	20,572,000	24,665,000	24,400,000
Electrical Products	5,270,000	4,818,000	5,000,000
Non-Metallic Mineral Products	52,901,000	52,170,000	58,100,000
Petroleum Products	123,000,000	122,408,000	122,400,000
Chemical Products	57,544,000	62,375,000	65,400,000
Miscellaneous Manufacturing Industries	6,166,000	7,864,000	13,000,000
TOTAL	882,876,000*	891,438,000*	942,100,000

(1) Dominion Bureau of Statistics - final
(2) Alberta Bureau of Statistics - preliminary
(3) Alberta Bureau of Statistics - estimates.

(See NOTE for above table on p. 5)

NOTE:

(*) It may be noted that these figures are considerably lower than in earlier estimates.

This is due to the fact that the method of computing the value of petroleum products (primarily) was revised, resulting in a much lower ascribed value. An even more drastically revised method will be used in computing the 1961 valuation of the shipments of all industries, with presently unpredictable effects on the totals. However, the 1959-60-61 figures on the previous page are compiled on comparable basis.

Major increases were recorded by the meat packing plants, and by the pipe mills in the iron and steel industry. The sawmills were operating on a reduced scale in the early (major production) months of 1961 and accordingly the only substantial decline was shown by the woods products industry.

Several major new, or expansions to existing, manufacturing operations were first announced during 1961. These include food processing plants valued at $4.0 million; paper products plants at $39.8 million; petroleum products plants at $11.6 million; iron and steel plants at $10.0 million and a chemical plant at $3.0 million. However, as will be seen from the attached listing, the year was more notable for the spate of small manufacturing enterprises started throughout the province. This is in itself is an indication of the manner in which major industries breed further ancillary industries.

CONSTRUCTION:

Earlier in 1961 it was estimated that the value of construction work in Alberta during the year would exceed $927 million -- up from the $820 million of 1960. There is every indication that the target was met or surpassed. The volume of residential building almost doubled; pipeline construction work was completed on schedule; the road construction programme for the year was met fully. There was a spate of apartment and hotel building.

The value of building permits issued in the ten cities rose by over 10 per cent, due largely to the recovery of Edmonton from a dismal record in 1960. The value of permits issued at country points rose by over 30 per cent.

VALUE OF BUILDING PERMITS ISSUED - ALBERTA, 1955-1961

	Ten Cities	Other Municipalities	Total
	million $	million $	million $
1955	154.7	21.8	176.5
1956	149.6	38.6	188.2
1957	137.8	36.3	174.1
1958	196.6	61.9	258.5
1959	203.1	70.9	274.0
1960	151.1	52.3	203.4
1961 (est.)	167.4	64.2	231.6

Employment in the industry averaged higher than in 1960. A much more substantial backlog of work was ready to be carried on over the 1961-62 winter building season.

CONSTRUCTION OF DWELLING UNITS - ALBERTA

January - October 1959-61

	Under Construction	Jan. 1 to Oct. 31		Under Construction
	Jan. 1	Started	Completed	Oct. 31
1959	7,065	8,680	9,087	6,466
1960	5,983	4,677	7,696	2,816
1961	3,012	8,267	6,489	4,824

GENERAL:

Generation of electricity was 10 per cent higher than in 1960, approaching close to 4 billion K.W.H.

Sawmilling fell off drastically in the early (heavy production) months of 1961. Although there was a sharp resurgence of activity over the winter of 1961-62, lumber production for 1961 remained at a level less than two-thirds that of recent years.

Bank debits were running over 13 per cent higher than in 1960.

The number of visitors to the National Parks rose by nearly 6 per cent.

Retail sales rose to nearly $1,380.0 million. As late as October weakness was apparent in sales of motor vehicles (down $7.0 million) with smaller declines in sales of clothing, hardware and furniture stores. Major increases were shown by food stores (up $8 million), department stores (up $4 million) and building material dealers (up $3 million).

Labour income exceeded $1,300 million as compared with $1,246 million in 1960. Monthly employment figures were higher than in 1960, and the number of job applicants was consistently lower.

LOCAL CONDITIONS AND DEVELOPMENTS -- (Compiled from reports received from each area)

Reports received from the various areas of the province indicate a generally bouyant and optimistic attitude throughout the province. The drought, though severe particularly in the south, was not unduly depressing in impact and even had beneficial effects such as improved grades, higher prices and reduced surpluses. The resurgence of the construction industry during 1961 raised the level of employment, and of course, affected favourably retail trade. The general business pickup

apparently began about mid-year and is expected to continue through 1962.

CALGARY:

Calgary remained among the main construction areas of the province with building permits in the metropolitan area valued at $75.0 million. Employment was well maintained throughout the year. The success of the national oil policy had a beneficial psychological effect. Wholesale trade was consistently higher throughout the year; and retail trade was well maintained.

EDMONTON:

Edmonton area building permits were valued at $94.5 million, substantially higher than the $72.0 of 1960. General employment rose and was well maintained in response to the higher level of construction. With the completion of several new plants in the area and the gradual diversification and consolidation of the manufacturing complex, the value of manufacturing rose to new heights. The higher level of retail sales is expected to continue into 1962. Drought was not as serious a factor as in the southern part of the province. Both livestock and grain sales benefitted from the firmer prices, and farmer's cash income was well maintained.

LETHBRIDGE:

The wheat crop for southeastern Alberta was about one half of the long term average, but yields in the southwest were better maintained. Livestock production is on the increase. Retail and wholesale trade were practically on a par with 1960. There are signs that the cautiousness of the buying public is now relaxing a little with an accompanying upswing in purchasing. New manufacturing plants, and expansions to existing plants, gave an impetus to employment. Construction is expected to increase in volume in 1962 largely because of a substantial increase in public buildings.

LLOYDMINSTER:

Crops in general in the area were well above average in quality and quantity; feedstocks are in good supply and the livestock industry is in excellent condition. Retail and wholesale trade have been increasing steadily with the enlargement of the trading area. Construction activity in the region has continued at a relatively high rate. Both industrial and construction labour have had a better than average run of employment. Prospects for 1962 appear quite favourable.

MEDICINE HAT:

Drought seriously affected grain yields in the area; the proceeds of cattle sales have assisted greatly the economy of the community but there has been no distress selling of livestock. As a reflection of the reduced farmer buying power, retail and wholesale sales slacked off. The construction industry had its third largest building year. Industrial activity was well maintained. There is little reserve subsoil moisture and the fortunes of the grain farmer represent the principal question mark for 1962.

RED DEER:

Crops throughout most of the Red Deer area were good despite poor moisture conditions. There was a considerable upsurge in feed lots. Retailers have had a very good year; the trading area of the city has been "pushed out" a considerable distance.

The city is becoming steadily more of a wholesale centre. There was a steady demand for labour all year. The construction industry had its second busiest year in the city and a very large programme of major construction is already lined up for 1962. Three new residential subdivisions, and a new industrial park were opened during the year; designing of a new for industry is underway.

MANUFACTURING PLANTS PROPOSED, UNDER CONSTRUCTION, OR COMPLETED

DURING 1961

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
Airco Products (Alta.) Ltd., CALGARY	-	Furnace Assembly	Completed
Alberta Poultry Marketers Ltd., LETHBRIDGE	500,000	Poultry Processing	Completed
Allied Chemicals Services Ltd., CALGARY	51,000	Agricultural Chem. (Addition)	Completed
Alberta Granite Marble and Stone Co. Ltd., EDMONTON	17,000	Markers, Monuments (Addition)	Completed
Alberta Co-Operative Wholesale Assn. Ltd., EDMONTON	18,700	Feeds (Addition)	Under Construction
Alberta Western Post and Timber Treating Co. Ltd. BLACKFALDS	75,000	Treated Posts, Ties and Piles	Completed
Alberta Western Beef Ltd., MEDICINE HAT	1,300,000	Meat Processing	Under Construction
Alberta Canning Co. Ltd., LETHBRIDGE	150,000	Frozen French Fried Potatoes (Addition)	Completed
Alberta West Newsprint Mills Ltd., WHITECOURT	38,000,000	Newsprint	Proposed
Alberta Wire Works Ltd., EDMONTON	11,000	Wire Garment Hangers (Addition)	Completed
Architectural Concrete Products Ltd. CALGARY	(Renting)	Building Facings	-
British American Oil Co. Ltd. RIMBEY	12,500,000	Gas Processing	Completed
Bell Pole Company CALGARY	50,000	Pole Treating	Completed
Bentley Seed Cleaning Co-Op Association Ltd., BENTLEY	51,000	Seed Cleaning	Completed
Burns and Company Ltd., EDMONTON	50,000	Meat Packing Plant (Addition)	Under Construction

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
Byers Feed Mill, CAMROSE	85,000	Poultry & Hog Feed (Addition)	Completed
British American Oil Co. Ltd., CALGARY	92,000	Oil Refinery (Addition)	Completed
Burns and Company Ltd., CALGARY	30,000	Meat Processing (Addition)	Completed
Camrose Meat Processors, CAMROSE	80,000	Meat Processing	Proposed
Con-Force Products Ltd., EDMONTON	57,500	Precast Concrete Products (Addition)	Completed
City of Edmonton, EDMONTON	120,000	Concrete & Asphalt	Under Construction
Canadian Oil Company Ltd., INNISFAIL	4,000,000	Oil Refinery	Completed
Canada Packers Ltd., CALGARY	500,000	Animal Feeds	Under Construction
Canada Packers Ltd., EDMONTON	74,000	Meat Products (Addition)	Under Construction
Canada Packers Ltd., EDMONTON	11,500	Animal Foods (Feed Mill Addition)	Completed
Canada Packers Ltd., LETHBRIDGE	1,000,000	Meat Processing	Completed
Canadian Dressed Meats Ltd., LETHBRIDGE	500,000	Meat Processing	Completed
Carnation Milk Company Ltd., WETASKIWIN	1,000,000	Condensed Milk	Under Construction
Canadian Superior Oil Ltd., HARMATTAN ELKTON	4,500,000	Condensate Cycling Plant	Under Construction
Caltron Manufacturing Ltd., CALGARY	40,000	T.V. Picture Tubes	Completed
Camrose Electric Controls Ltd., CAMROSE	18,000	Pressure Controls	Completed
C. K. Steel and Machinery Ltd., CALGARY	20,000	Steel Fabrication	Completed

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
Dominion Tanners Ltd., EDMONTON	24,000	Leather Products (Addition)	Completed
Dow Chemical Company Ltd., FORT SASKATCHEWAN	3,000,000	Glycol, Amines	Completed
Edmonton Concrete Block Company Ltd., EDMONTON	500,000	Concrete Blocks	Proposed
Evans Engineering Sales Ltd., CALGARY	50,000	Window Assembly & Woodworking	Completed
Estevan Industries Company Ltd., FORT MACLEOD	100,000	Mobile Homes	Completed
Firestone Tire & Rubber Co. Ltd., CALGARY	78,000	Rubber Tires (Addition)	Completed
Franki of Canada Ltd., EDMONTON	22,000	Machine Shop	Under Construction
R. Finkbeiner, CALGARY	40,000	Wooden Cabinets	Under Construction
Foothills Fisheries Ltd., CALGARY	20,000	Fish Processing	Completed
Great West Brick and Tile Co. Ltd., CALGARY	50,000	Ceramic Tile	Completed
Glazol Manufacturing Ltd., CALGARY	25,000	Sealants & Glazing Compounds (Addition)	Completed
Gainers Ltd., EDMONTON	70,000	Meat Products (Addition)	Completed
Goodyear Tire and Rubber Co. Ltd., MEDICINE HAT	750,000	Truck & Tractor Tires (Addition)	Under Construction
Hardisty Concrete Block, HARDISTY	-	Concrete Blocks	Under Construction
Hobbs Concrete Blocks Ltd., EDMONTON	13,000	Concrete Blocks (Addition)	Completed
Home Oil Company Ltd., CARSTAIRS	4,365,000	Gas Processing (Addition)	Proposed
Hardisty Feed & Farm Supply Company HARDISTY	25,000	Animal Feeds	Completed

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
Hector's Limited, CALGARY	30,000	Pipe Fabrication (Addition)	Completed
Ingles, Dobie & Kocher Manufacturers Ltd., CALGARY	10,000	Clay Pigeons	Renting
Independent Container Corp. Ltd., EDMONTON	800,000	Corrugated Cardboard boxes	Proposed
Jefferson Lake Petro-Chemicals Ltd., (Saratagа Gas Processors Ltd.) COLEMAN	20,000,000	Sulphur	Completed
Kimmit Concrete Ltd., LETHBRIDGE	300,000	Concrete Block & Masonry Products (Addition)	Completed
Kruger Concrete Products Ltd., CALGARY	35,000	Concrete Step and Patio Stones	Completed
Light Concrete (Alberta) Ltd., LETHBRIDGE	60,000	Concrete Blocks	Completed
Linde Air Services, CALGARY	50,000	Acetylene and Oxygen Plant	Under Construction
McCabe Grain Company Ltd., EDMONTON	70,000	Feeds (Addition)	Under Construction
McCready Products Ltd., EDMONTON	41,000	Aluminum Products (Expansion)	Completed
MacBilt Feeds Ltd., CALGARY	25,000	Livestock Feed Plant	Completed
Magnachem Ltd., CALGARY	35,000	Anti Corrosion Chemicals	Completed
Marblex Corp. of Canada Ltd., EDMONTON	500,000	Recreated Stone	Completed
Martin-Paper Products Ltd., CALGARY	1,000,000	Corrugated Cartons (New Plant)	Under Construction
Merrit Diamond Mill, ACHESON	200,000	Planing Mill	Completed
Mobile Living Products Ltd., LACOMBE	50,000	Mobile Camper	Completed
Murphy Laboratories Ltd., CALGARY	-	Food Products	Completed

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
National Concrete Block Co. Ltd., EDMONTON	500,000	Concrete and Lightweight Building Blocks	Under Construction
Naugatuck Chemicals, CLOVER BAR	1,500,000	Wood Preservatives & Agricultural Chemicals	Completed
Northern Plywoods Ltd., GRANDE PRAIRIE	500,000	Plywood (Addition)	Completed
Northwest Polyrama Ltd., EDMONTON	35,000	Polythene Products	Under Construction
Page Hersey Tubes Ltd., CAMROSE	7,000,000	Steel Pipe	Proposed
Parkland Farms Ltd., BLACKFALDS	160,000	Broiler Chickens	Completed
Parrish and Heimbecker, RED DEER	70,000	Feed Mill	Completed
Petrogas Processing Ltd., CALGARY	13,000,000	Natural Gas, L.P.G. and Sulphur	Completed
Power Aid Manufacturing Co. Ltd., DRUMHELLER	-	AC-DC Generators	Completed
Prairie Maid Cereals Ltd., EDMONTON	17,000	Breakfast Cereals (Addition)	Completed
Prairie Packers Ltd., RED DEER	1,500,000	Processed Meats	Proposed
Precision Window and Door Ltd., RED DEER	20,000	Aluminum Windows & Doors	Rented
Premier Steel Mills Ltd., EDMONTON	3,000,000	Continous Billet Casting (Addition)	Under Construction
Prudham Building Supplies Ltd., EDMONTON	22,000	Sash and Door Factory	Under Construction
R. A. Duncan Industries Ltd., OLDS	-	Agricultural Implements	Completed
Red Deer Frozen Foods, RED DEER	65,000	Frozen Meats	Proposed
Red Deer Packers Ltd., RED DEER	500,000	Meat Processing	Under Construction

COMPANY	CAPITALIZATION $	PRODUCTS	STAGE OF DEVELOPMENT AS OF 31 DEC. 1961
St. Paul Concrete Products Ltd., ST. PAUL	75,000	Cement Blocks	Completed
St. Paul Packers, ST. PAUL	-	Meat Processing	Completed
Sage Oil Company Ltd., LEDUC	100,000	Gas Scrubbing Plant	Completed
Shell Oil Company Ltd., WATERTON LAKES	25,000,000	Gas Processing	Under Construction
Sherrit Gordon Mines Ltd., FORT SASKATCHEWAN	3,000,000	Urea (Addition)	Completed
Smith Construction Co. Ltd., EDMONTON	80,000	Transit Concrete Mix	Under Construction
Steelman Gas (Alta.) Ltd., EDMONTON	1,600,000	Gas Processing	Proposed
Sunalta Potato Processors Ltd., TABER	1,000,000	Dehydrated Potato Products	Completed
Superior Masonry Prod., LETHBRIDGE	400,000	Cinder Blocks (Addition)	Under Construction
Union Milk Company Ltd., LETHBRIDGE	65,000	Dairy Products	Under Construction
Western Canada Seed Processors Company Ltd., LETHBRIDGE	50,000	Hydrogenation Plant (Addition)	Under Construction
Western Leaseholds Ltd., WILDCAT HILLS	6,000,000	Gas Processing	Under Construction
Western Packers Ltd., CALGARY	950,000	Meat Processing	Proposed
Western Swim Pools Ltd., CAMROSE	100,000	Concrete Swim Pools and Silos	Completed
Gordon Young Limited, CALGARY	33,000	Animal Feeds	Under Construction
W. R. Zeidler Ltd., EDMONTON	60,000	Plywood (Addition)	Completed